

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	

OPPOSITION TO PETITION FOR RECONSIDERATION

ADTRAN, Inc. (“ADTRAN”), pursuant to Section 1.429(f) of the Commission’s Rules, hereby opposes one aspect of the Petition for Reconsideration filed by the Wireless Internet Service Providers Association (“WISPA”)¹ regarding the Commission’s decision approving a second round of Connect America Fund (“CAF”) Phase I funding.² WISPA seeks to have the Commission reverse its determination to apply the remaining first round CAF Phase I funding to the second round of CAF Phase I, and instead apply that money to the Remote Area Fund (“RAF”).³ ADTRAN believes the public interest will be better served by adhering to the Commission’s original decision to keep those funds for CAF Phase I broadband deployments, and thus urges the Commission to deny WISPA’s petition.

As part of the Commission’s comprehensive reform of the Universal Service Fund to target subsidies to support broadband deployment directly and explicitly, CAF Phase I was

¹ *Public Notice*, Petition for Reconsideration of Action in Rulemaking Proceeding, Report No. 2987, released July 30, 2013, 78 Fed. Reg. 48641 (August 9, 2013).

² *In the Matter of Connect America Fund*, Report and Order, FCC 13-73, 28 FCC Rcd 7766 (rel. May 22, 2013).

³ WISPA Petition at pp. 6-7.

designed to serve as an interim program to spur broadband deployment by some of the incumbent carriers while the necessary cost models for CAF Phase II were developed. Because of delays in implementing CAF Phase II, the Commission adopted a second round of CAF Phase I. That additional time also provided the Commission with an opportunity to refine the CAF Phase I rules, because flaws in those rules resulted in \$185 Million going unused. The rule revisions adopted by the Commission in creating a second round of CAF Phase I will allow these subsidies to operate more fully and efficiently, thus it made sense to use the new rules for the money remaining from the first round, along with the second round of CAF Phase I.

ADTRAN had urged the Commission to take such action because of the demonstrated need for quickly spurring broadband deployment and the unique ability of the incumbent carriers to meet that goal. Moreover, as ADTRAN explained, “the Commission’s ‘hitting pause’ on support for broadband deployment would send the wrong signals to the private capital markets, which will be needed to supply the vast majority of funding for broadband deployment and upkeep even with the government subsidy programs.”⁴ Keeping the \$185 Million in the CAF Phase I program will thus well serve the public interest. Indeed, the recent responses of the various carriers indicate that the Commission’s refinement of the CAF Phase I rules was successful, because the carriers have indicated they will now be able to use the second round of CAF Phase I funding to support deployment of broadband to hundreds of thousands of unserved or underserved customers.⁵

⁴ ADTRAN Reply Comments in WC Docket No. 10-90, filed February 12, 2013, at p.7.

⁵ See, FCC News Release, “Up To 600,000 Rural Homes and Businesses In 44 States and Puerto Rico Will Gain Access to Broadband for First Time,” (August 21, 2013).

In contrast, the Commission must still work out the details for the RAF. As WISPA acknowledges, the Commission has decided to allocate “at least \$100 Million annually” to the RAF. To the extent that WISPA and others can demonstrate that a \$100 Million annual subsidy fund would be inadequate to meet the goals of that program, then the Commission can make the necessary adjustments to the RAF to expand the funding on an ongoing basis. In the meantime, it makes no sense to take one-time funding from the interim CAF Phase I program, which is already proving to be effective in spurring broadband deployment. Such action would be worse than “robbing Peter to pay Paul,” because we do not yet know if the announced minimum funding for the RAF will prove to be insufficient for meeting its goals.

CONCLUSION

The Commission should act promptly to deny WISPA's request to reallocate the remaining round one funding from CAF Phase I. The public interest will best be served by affirming the Commission's decision to use that money in the second round of CAF Phase I and thereby help quickly spur broadband service to unserved and underserved locations.

Respectfully submitted,

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